GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:796
ANSWERED ON:24.02.2006
INVESTMENT OF PUBLIC SECTOR BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks are according priority to private companies over Public Sector Undertakings in purchasing bonds, debentures and shares;

(b) if so, the reasons therefor; and

(c) the details of the amount invested by Public Sector Banks in bonds, debentures and shares of private companies in comparison to that of Public Sector Undertakings in the years 2004 and 2005?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAW AN KUMAR BANSAL)

(a) & (b) Public Sector Banks make their investment decisions in accordance with their investment policies and Reserve Bank of India (RBI) guidelines.

(c) RBI does not maintain the data regarding the investment made by public sector banks in private companies. However, the total investment by public sector banks in bonds / debentures and equities of Public Sector Undertakings has been Rs. 47,850 crore and Rs. 39,879 crore as at the end of March 2004 and March 2005 respectively.